BRITISH COLUMBIA

BC STATS

Ministry of
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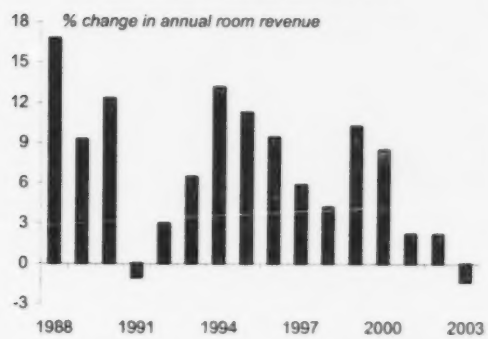
Tourism Industry Monitor ◆ Annual 2003

2003 in Review: Troubles in Tourism

Room revenues decline

Tourism room revenue edged down 1.4% in 2003, declining for the first time in over a decade. This reflects major disruptions in the global tourism industry last year, including the SARS outbreak and the war in Iraq.

Room revenues decline for the first time since 1991



Data Source: BC Stats

The Mainland Southwest region—Greater Vancouver and its surrounding areas—was hardest hit by the downturn. Room revenues in that region fell 4.7%. Declines also occurred in Cariboo (-3.3%) and North Coast (-1.2%). However, if one excludes the Mainland Southwest, room revenues for the rest of the province were up 3.0%.

By accommodation type, large hotels with more than 150 rooms saw the steepest decline in revenues (-5.4%). Most of the large hotels in BC are located in Mainland Southwest. Revenues at small hotels (1-75 rooms) were unchanged from 2002. Vacation rentals, such as beach houses and the like, saw revenues climb 6.1%.

Visitor Entries Down

The number of travellers entering Canada via BC ports of entry dropped sharply in 2003. From the US, entries were down 7.0%, and from overseas the number of visitors fell 12.6%. In the wake of the SARS outbreak, entries from Asian countries plummeted 24.4%.

Passenger traffic at the Vancouver airport was down 3.7% in 2003, reflecting a drop in both domestic (-2.1%) and international (-5.4%) travellers. However, passenger traffic through BC's regional airports rose 7.0%. This mirrors the regional pattern of room revenues, with a downturn in the Vancouver area but continued growth in the rest of BC.

Employment rises

In spite of the difficult year, employment in some of the key tourism industries rose in 2003. In particular, there was strong employment growth in arts, heritage and entertainment (+6.8%), as well as air transport (+4.4%)—which posted gains for the first time in five years. Offsetting this were small declines in accommodation (-0.7%) and food & beverage service (-0.3%).

Estimates for tourism GDP and total direct tourism employment in 2003 were not ready at the time of publication. They will be added to this article as they become available.

Looking Ahead

The BC tourism industry would seem to be headed for a much better year in 2004. Room revenues and other tourism indicators were already recovering by the middle of last year.

Room revenues began to recover last summer

Data Source: BC Stats

Seasonally adjusted room revenues bottomed out in June 2003, and increased more or less steadily in the following months. By last December, room revenues had exceeded the levels of 2002. As well, traffic at the Vancouver airport has fully recovered from the 2003 downturn. Visitor entries have also rebounded, though they are lingering at about 10% below their historic levels

Tourism Indicators

Annual Series, 1998-2003

	1998	1999	2000	2001	2002	2003
Tourism Room Revenue ($ thousands)						
BC Total	1,206,090	1,329,347	1,442,085	1,473,983	1,506,188	1,486,642

Source: BC STATS

Gross Domestic Product ($ millions)						
CURRENT DOLLARS						
BC Total	105,907	110,806	120,533	122,195	125,926	129,853
Tourism	4864	5067	5235	5398	5485	n/a
CONSTANT DOLLARS (1997 dollars)						
BC Total	105,960	109,176	114,229	115,647	118,240	121,203
Tourism	4,724	4,784	4,940	4,992	5,012	n/a

Source: BC STATS

Tourism Revenue & Volume Estimates						
Revenue ($ milllions)	8,731	9,080	9,449	9,242	9,336	8,953
Visitor Volume (thousands)	21,753	22,053	22,491	22,381	22,571	21,870

Source: Tourism BC

Visitor Entries to Canada via British Columbia (thousands of persons)						
USA – Total	6,549	6,862	7,006	6,895	6,591	6,137
Overnight	3,425	3,492	3,599	3,637	3,782	3,510
OVERSEAS – Total	1,296	1,408	1,476	1,418	1,378	1,198
EUROPE	449	485	498	466	412	410
Germany	82	82	79	76	76	76
United Kingdom	205	204	204	204	205	206
PACIFIC RIM	771	842	893	864	882	702
Australia	95	95	97	98	101	105
Hong Kong	86	87	89	89	91	68
Japan	257	272	278	277	274	185
Taiwan	90	95	98	98	97	63
CANADA – Total (returning to Canada)	10,451	9,588	9,435	8,329	7,197	7,285
From U.S.A. – Total	3,716	3,775	3,796	3,608	3,610	3,541
From U.S.A. – Same day auto	6,735	5,813	5,639	4,720	3,582	3,745

Source: Statistics Canada, International Travel (66-001)

Transportation (thousands)						
Vancouver Airport – arrivals & departures	15,508	15,806	16,033	15,477	14,878	14,322
Victoria Airport – arrivals & departures	1,214	1,191	1,139	1,158	1,102	1,183
BC Ferries – passengers	21,418	21,369	21,280	21,309	21,540	21,339
Coquihalla Highway – passenger vehicles	2,365	2,378	2,389	2,449	2,518	2,466

Sources: Vancouver Airport, Victoria Airport, BC Ferries, Ministry of Transportation & Highways

Hotel Occupancy & Room Rates (annual average)						
Occupancy (%)	61.85	61.71	59.98	59.30	58.98	58.31
Room Rate ($)	108.59	112.02	114.04	116.12	118.02	115.03

Source: Pannell Kerr Forster (Vancouver)

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Room Rate ($)	108.59	112.02	114.04	116.12	118.02	115.03

Source: Pannell Kerr Forster (Vancouver)

Tourism Indicators

Annual growth rates, 1998-2003

% change from previous year	1998	1999	2000	2001	2002	2003
Tourism Room Revenue						
BC Total	4.2	10.2	8.5	2.2	2.2	-1.3

Source: BC STATS

Gross Domestic Product						
CURRENT DOLLARS						
BC Total	1.3	4.6	8.8	1.4	3.1	3.1
Tourism	3.4	4.2	3.3	3.1	1.6	n/a
CONSTANT DOLLARS						
BC Total	1.3	3.0	4.6	1.2	2.2	2.5
Tourism	0.4	1.3	3.3	1.1	0.4	n/a

Source: BC STATS

Tourism Revenue & Volume Estimates						
Revenue	3.1	4.0	4.1	-2.2	1.0	-4.1
Visitor Volume	2.1	1.4	2.0	-0.5	0.8	-3.1

Source: Tourism BC

Visitor Entries to Canada via British Columbia						
USA – Total	11.1	4.8	2.1	-1.6	-4.4	-6.9
Overnight	10.7	2.0	3.1	1.1	4.0	-7.2
OVERSEAS -- Total	-9.4	8.6	4.8	-3.9	-2.8	-13.1
EUROPE	0.1	7.8	2.8	-6.4	-11.7	-0.4
Germany	-10.4	-0.6	-3.7	-3.4	0.2	0.4
United Kingdom	-8.9	-0.5	0.1	0.0	0.2	0.6
PACIFIC RIM	-16.2	9.2	6.0	-3.3	2.1	-20.4
Australia	-8.6	-0.2	1.4	1.7	3.2	3.9
Hong Kong	-6.9	1.8	2.0	-0.5	2.1	-25.1
Japan	-6.4	5.5	2.3	-0.4	-1.1	-32.5
Taiwan	-8.5	5.4	3.3	-1.0	-0.3	-35.0
CANADA -- Total (returning to Canada)	-22.2	-8.3	-1.6	-11.7	-13.6	1.2
From U.S.A. -- Total	-9.3	1.6	0.6	-5.0	0.1	-1.9
From U.S.A. -- Same day auto	-27.8	-13.7	-3.0	-16.3	-24.1	4.5

Source: Statistics Canada, International Travel (66-001)

Transportation						
Vancouver Airport -- arrivals & departures	4.7	1.9	1.4	-3.5	-3.9	-3.7
Victoria Airport -- arrivals & departures	10.1	-1.9	-4.4	1.7	-4.8	7.3
BC Ferries -- passengers	-2.9	-0.2	-0.4	0.1	1.1	-0.9
Coquihalla Highway -- passenger vehicles	2.1	0.6	0.5	2.5	2.8	-2.1

Sources: Vancouver Airport, Victoria Airport, BC Ferries, Ministry of Transportation & Highways

Hotel Occupancy & Room Rates						
Occupancy (percentage point change)	-4.2	-0.1	-1.7	-0.7	-0.3	-0.7
Room Rate (% change)	2.4	3.2	1.8	1.8	1.6	-2.5

Source: Pannell Kerr Forster (Vancouver)

Tourism Indicators

Annual growth rates, 1998-2003

% change from previous year	1998	1999	2000	2001	2002	2003
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BC Total	4.2	10.2	8.5	2.2	2.2	-1.3

Source: BC STATS

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CURRENT DOLLARS						
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Tourism	3.4	4.2	3.3	3.1	1.6	n/a
CONSTANT DOLLARS						
BC Total	1.3	3.0	4.6	1.2	2.2	2.5
Tourism	0.4	1.3	3.3	1.1	0.4	n/a

Source: BC STATS

Tourism Revenue & Volume Estimates						
Revenue	3.1	4.0	4.1	-2.2	1.0	-4.1
Visitor Volume	2.1	1.4	2.0	-0.5	0.8	-3.1

Source: Tourism BC

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USA – Total	11.1	4.8	2.1	-1.6	-4.4	-6.9
Overnight	10.7	2.0	3.1	1.1	4.0	-7.2
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EUROPE	0.1	7.8	2.8	-6.4	-11.7	-0.4
Germany	-10.4	-0.6	-3.7	-3.4	0.2	0.4
United Kingdom	-8.9	-0.5	0.1	0.0	0.2	0.6
PACIFIC RIM	-16.2	9.2	6.0	-3.3	2.1	-20.4
Australia	-8.6	-0.2	1.4	1.7	3.2	3.9
Hong Kong	-6.9	1.8	2.0	-0.5	2.1	-25.1
Japan	-6.4	5.5	2.3	-0.4	-1.1	-32.5
Taiwan	-8.5	5.4	3.3	-1.0	-0.3	-35.0
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BC Ferries -- passengers	-2.9	-0.2	-0.4	0.1	1.1	-0.9
Coquihalla Highway -- passenger vehicles	2.1	0.6	0.5	2.5	2.8	-2.1

Sources: Vancouver Airport, Victoria Airport, BC Ferries, Ministry of Transportation & Highways

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Room Rate (% change)	2.4	3.2	1.8	1.8	1.6	-2.5

Source: Pannell Kerr Forster (Vancouver)